



DEPARTMENT OF THE ARMY
HEADQUARTERS UNITED STATES ARMY FORCES COMMAND
1777 HARDEE AVENUE SW
FORT MCPHERSON GEORGIA 30330-1062

REPLY TO
ATTENTION OF

AFLG-PR

SEP 30 2000

MEMORANDUM FOR FORSCOM Directorates of Contracting

SUBJECT: Contracting Information Letter (CIL) 00-41, Using the Javits-Wagner-O'Day Program in Commercial Activities (CA) A-76 Studies

1. Reference:

a. Section 8014, Title VIII, Department of Defense Appropriations Act, FY 2001 (Public Law 106-259)

b. Office of Management and Budget (OMB) Circular No. A-76 Revised Supplemental Handbook, Performance of Commercial Activities, March 1996

c. Army Regulation 5-20

d. FAR Part 8

e. 10 U.S.C. Sec. 2461(e)

f. Pamphlet, Strategic Outsourcing with JWOD (encl 1)

g. JWOD Handbook, Fourth Edition

2. The purpose of this CIL is to provide clarification, information, and FORSCOM's position on the use of Preferential Procurement Programs, i.e. National Industries for the Blind (NIB) or NISH, on installation CA A-76 Studies.

3. The following is a summary of the ways NIB or NISH, under the provisions of the Javits-Wagner-O'Day (JWOD) Act Program, can/cannot be used in a CA A-76 cost comparison:

a. If the solicitation is a Full and Open Competition, not-for-profit businesses of NIB or NISH must compete under the same evaluation and selection criteria as every other offeror.

b. If the solicitation is a Small Business Set-aside, NIB or NISH is ineligible to compete as it is nonprofit and not subject to the Small Business Act.

AFLG-PR

SUBJECT: Contracting Information Letter (CIL) 00-41, Using the Javits-Wagner-O'Day Program in Commercial Activities (CA) A-76 Studies

c. If NIB or NISH is selected to compete with the government as a preferential procurement source, the requirement must be on the JWOD Procurement List before the cost comparison phase is reached.

4. Reference 1.a. states "None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of the enactment of this Act, is performed by more than 10 Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on appropriations of the House of Representatives and the Senate: Provided, That this section and subsections (a), (b) and (c) of 10 U.S.C. 2461 shall not apply to a commercial or industrial type function of the Department of Defense that (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 percent Native American ownership."

5. Reference 1.b. states in Chapter 1, paragraph D.8, "A commercial activity of any size that is performed by Federal employees may be converted to contract performance, without cost comparison...if the contract is awarded to a preferential procurement source at a fair market price." Reference 1.c. states in Chapter 4, Section I, paragraph 4-2.d, "The commander may convert in-house activities of any size to contract performance without a cost competition study if the contract is awarded to a required source...as defined in FAR Part 8 at a fair market price." (The terms "preferential procurement sources" and "required sources of supplies and services" refer to the priority sources specified in FAR Part 8.) Since there is no A-76 cost comparison process involved, the supplies/services are added to the Procurement List prior to award. This process is described in detail in the JWOD Handbook, reference 1.g.

6. When a contract is awarded to a nonprofit business of NIB or NISH, under provisions of the JWOD Act Program (Full and Open Competition, Sole-Source or Direct Conversion Contract), great flexibility is afforded the awarding agency. Even though the total requirement is added to the procurement list, the awarding agency may scope the actual work, by Statement of Work, to that work that cannot be resourced by government manpower. As resources are authorized, the

AFLG-PR

SUBJECT: Contracting Information Letter (CIL) 00-41, Using the Javits-Wagner-O'Day Program in Commercial Activities (CA) A-76 Studies

contract can be scoped down or, as resources are reduced/eliminated, the contract can be scoped up. This is a little known aspect of the preferential procurement program that maximizes win-win outcomes.

7. The OMB A-76 Revised Supplemental Handbook, Chapter 1, paragraph D.9 states, "At the agency's discretion, a cost comparison may be conducted." It is the installation commander's decision whether or not to conduct an A-76 cost competition study between the in-house offer and NIB or NISH. If the decision is to conduct a cost comparison, the services should be added to the Procurement List at an estimated target price. This negates the need for a Justification and Approval (J&A) and covers the procurement agency with JWOD authority.

8. Both the Defense Logistics Agency (DLA) and the Department of the Air Force (AF) have FAR Part 8 supplemental guidance on procedures for using NISH in CA A-76 competitions. In the absence of Department of the Army guidance, we recommend you use the following procedures for conducting an A-76 CA cost comparison with NIB or NISH:

- a. As part of the installation's acquisition strategy, determine that the government will conduct an A-76 CA cost comparison with NIB or NISH;
- b. Communicate your requirement to your regional NIB or NISH office and NIB or NISH will provide a pre-qualified Community Rehabilitation Program (CRP), if available, that can meet your needs;
- c. In accordance with CA guidance, synopsise your intent to conduct an A-76 CA cost comparison with NIB or NISH for the specified services and indicate that no solicitation will be issued to industry;
- d. Partner with NIB or NISH and the CRP to develop the work statement and streamlined contract document;
- e. Negotiate an estimated fair and reasonable price in partnership with NIB or NISH and the CRP and forward through NIB or NISH to the Committee;
- f. Add the requirement to the Procurement List. The Committee will develop the fair market price in cooperation with NIB or NISH, the CRP and the government. Individuals having knowledge of the cost figures in the government's In-house Cost Estimate (IHCE) shall not participate in the fair market pricing process.

AFLG-PR

SUBJECT: Contracting Information Letter (CIL) 00-41, Using the Javits-Wagner-O'Day Program in Commercial Activities (CA) A-76 Studies

g. Conduct the A-76 cost comparison IAW Commercial Activities procedures.

9. If the in-house offer is selected as the service provider, performance of the requirement remains in-house and the Procurement List is of no consequence. If the NIB or NISH offer is selected as the service provider, please note that the Right-of-First-Refusal (ROFR) applies and the contract must contain the clause at FAR 52.207-3. Additional guidance on the application of this clause to displaced Government employees is found in CIL 00-39.

10. A JWOD process improvement recommendation was recently submitted for internal NISH coordination and submission to the Committee for approval. Attached for your information are the proposed procedures for conducting a direct conversion, both with and without a cost comparison (encl 2, Attachment A). A proposed flowchart is at encl 2, Attachment B.

11. The requirement for HQ FORSCOM review of the Pre-Negotiation Objective/Price Negotiation Memorandum (POM/PNM) in FFARS 1.602-2 is hereby waived in cases where, under the authority of FAR Part 8, the installation elects to not conduct an A-76 cost comparison between the in-house offer and NIB or NISH, and make direct, non-competitive award to NIB or NISH. This streamlined procedure is designed to reduce acquisition leadtime by the Principal Assistant Responsible for Contracting (PARC), but is not intended to avoid local legal review at the installation. Contract field attorneys are reminded of their responsibility to examine proposed awards, including proposed non-competitive JWOD awards under FAR Part 8. The FORSCOM FAR Supplement will be revised to reflect this change.

12. A hard copy of the enclosed pamphlet, "Strategic Outsourcing with JWOD", is being mailed to each FORSCOM contracting office. Additional copies may be obtained by calling NISH at (703) 560-6800 or Ms. Sherry Walton at (703) 208-7492, email swalton@nish.org. A second publication, "Working Together: Federal Personnel and the Javits-Wagner-O'Day Program", JWOD Handbook, Fourth Edition is also being mailed to you. Additional copies are available from the Committee, 1421 Jefferson Davis Highway, Jefferson Plaza 2, 10th Floor, Room 10800, Arlington, VA 22202-3259, telephone (703) 603-7740.

13. Forces Command fully supports the Javits-Wagner-O'Day Program, specifically the Committee for Purchase from People Who are Blind or Severely Disabled, NIB and NISH, in their efforts to compete in FORSCOM A-76 CA studies.

AFLG-PR

SUBJECT: Contracting Information Letter (CIL) 00-41, Using the Javits-Wagner-O'Day Program in Commercial Activities (CA) A-76 Studies

The OMB Circular A-76 recognizes preferential procurement programs and is not intended to interfere with the contracting activity's efforts to make awards under mandatory source programs such as JWOD. A formal cost comparison is not required for such awards, but may be used to determine whether or not the services can be performed more cost effectively by government personnel. Contracting with JWOD is particularly advantageous on smaller studies and those that are in danger of not meeting the mandatory completion date, as the acquisition process uses a simplified contract document, maximizes the benefits of partnering, reduces acquisition milestones and the contracting agency's administrative burden, and gives the satisfaction of knowing that people who are blind or have other severe disabilities are able to lead more productive and independent lives.

14. Please contact Mrs. Pat Boterweg at (404) 464-6207/DSN 367-6207 or email boterwep@forscom.army.mil for additional information regarding this CIL.



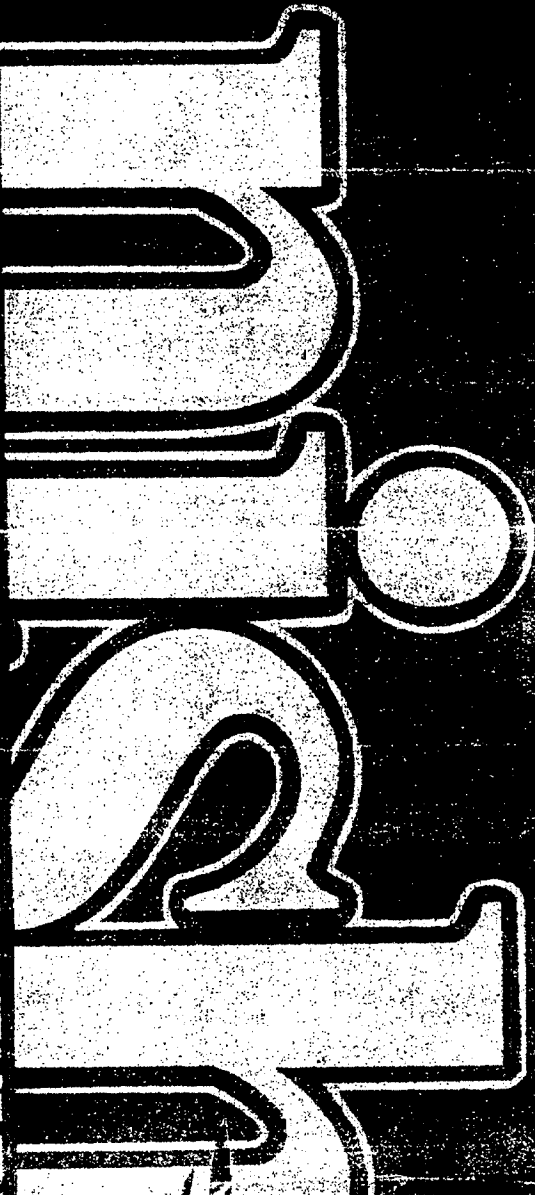
CHARLES J. GUTA
Colonel, AC

Chief, Contracting Division DCSLOG
Principal Assistant Responsible
for Contracting

2 Encls
as

services

CREATING EMPLOYMENT OPPORTUNITIES FOR PEOPLE WITH SEVERE



It's as Easy as 1, 2, 3

JWOD outsourcing

In an era of reinventing government, when you need a flexible, reliable and responsive provider — JWOD Delivers.

The Javits-Wagner-O'Day (JWOD) Program is a preferential procurement source. In fact, as indicated in FAR Subpart 8.7, JWOD has priority over all other sources for services.

The JWOD Program is administered by the Committee for Purchase from People Who Are Blind or Severely Disabled (The Committee) and provides

opportunities for nonprofit agencies to obtain federal contracts that generate employment and training for people who are blind or who have other severe disabilities. In accordance with the Committee's regulations, NISH and National Industries for the Blind (NIB) provide a wide range of technical assistance to qualified nonprofit organi-

zations that participate in the JWOD Program.

When a federal government agency contracts with a qualified nonprofit agency, also referred to as a Community Rehabilitation Program (CRP), through the JWOD Program, they not only receive the high quality work of the CRP employees,

they also receive technical assistance from NISH or NIB. This is an added benefit that is often utilized by federal procuring agencies that have developed long-term partnerships with JWOD producing CRPs and who know first hand what an added value the NISH/CRP partnership provides.

JWOD—Your Source for a Dedicated Workforce

JWOD offers a dedicated workforce of people with disabilities who want to work and who provide quality service to their government customers. Often, JWOD projects assist with non-core and support functions that are, nonetheless, critical to maintaining the overall mission of the government agency. JWOD participants meet many unique service requirements as well as more common ones, including but not limited to:

- Administrative assistance
- Janitorial/custodial
- Grounds maintenance
- Laundry
- Mailroom operations
- Food services

—and they perform effectively.

As a result of successful procuring efforts of the federal government, the JWOD Program has been providing jobs and job training for people with disabilities since 1958. Today, approximately 550 CKPs situated in all 50 states, Puerto Rico and Guam, employ more than 30,000 people with disabilities on JWOD projects.

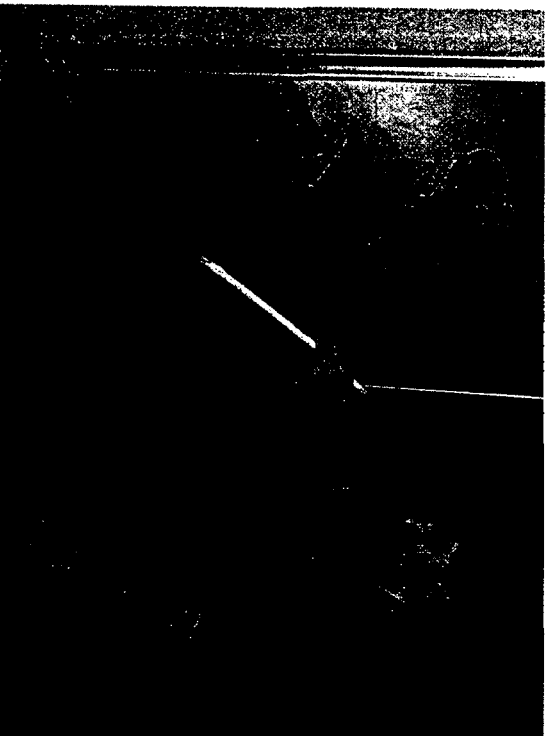
Turning Taxusers into Taxpayers...

When people with disabilities become employed, taxpayers citizens, everyone benefits. Through employment, people with disabilities are able to reduce their dependence on government entitlements such as Social Security, Medicaid and Welfare and, in turn, become taxpaying citizens.

"Wisely, officials at USDA realized that USDA

employees are best at running USDA programs and that workplace energies are best served when focusing on core functions of the USDA."

J.R. Holcombe, Jr.
Office of Procurement and
Policy Management, USDA.
Quoted after securing a
JWOD contract for Central
Facilities Management at
USDA Complex in Beltsville,
Maryland.



Strategic Outsourcing with Javits- Wagner- O'Day

It can
be as
easy
as

1, 2, 3, ...

"We have 38 trustful projects through the Javits-Wagner-O'Day Program. With JWOD, there is a true partnering effort where representatives from NISH, Community Rehabilitation Programs and GSA can sit down at the table and agree upon contract requirements and costs. We have long-term, consistent business relationships that result in saving us resources in terms of time, money and manpower. Contracting under the JWOD Program has been a very positive experience for us."

Donna Hutchens, Team Leader for Procurement Services, GSA Northwest Arctic Region



The Office of Management and Budget's (OMB) Circular A-76 addresses the contracting out of services currently being performed by Government employees. The Circular recognizes preferential procurement programs. Under the provisions of the OMB Circular and the Revised Supplemental Handbook, "A commercial activity of any size that is performed by Federal employees may be converted to contract performance, without cost comparison – even if it results in adverse employee actions, if the contract is awarded to a preferential procurement source at a fair market price." A formal cost comparison is not required for such awards.

Newly identified requirements are also covered by A-76 and are excellent candidates for JWOD set-asides. When a new requirement for a commercial service is established, the service may be added to the

Procurement List for performance by a nonprofit agency under the JWOD Program without commercial competition or formal cost comparisons.

The following material describes how to take advantage of the "best value" outsourcing approach offered by the JWOD Program.

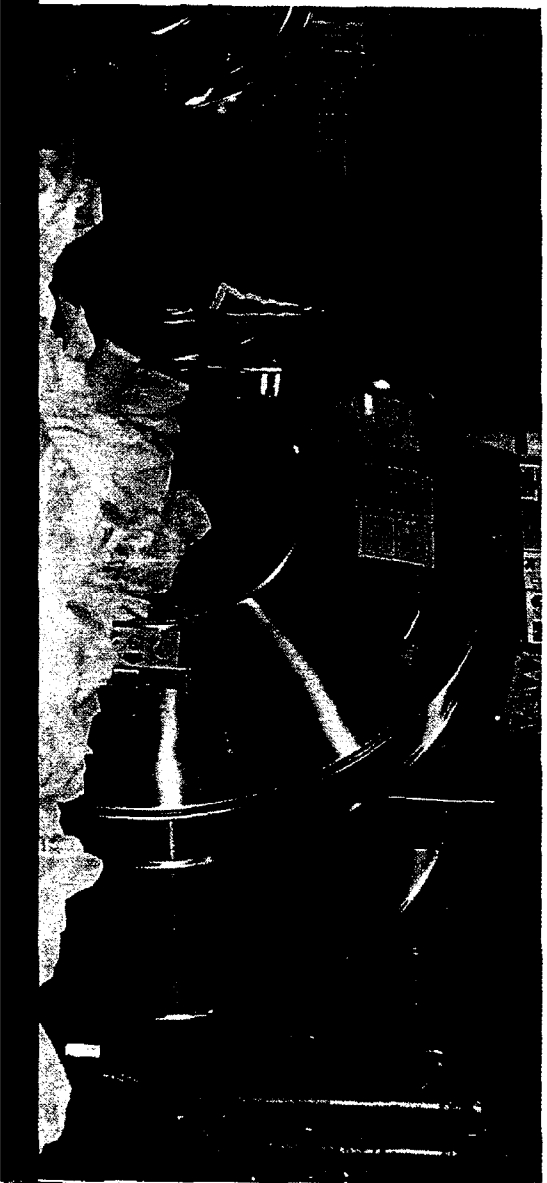
JWOD procurements are considered "other than competitive" procurements under the Competition in Contracting Act (CICA). CICA specifically exempts JWOD procurements from the justification requirement

which normally applies to "other than competitive" procurements.

With respect to contract documentation for JWOD set asides, the individual contracting activity must determine the minimum documentation it considers necessary for an "other than competitive" procurement.

For the procurement document, your federal agency may choose to utilize the uniform contract form (UCF) outlined in FAR Part 15.204-1. NISII does not suggest you ignore your internal agency guid-

ance. However, by utilizing Optional Form 347, or a Standard Form 1449 as Section A; providing your standard Section B and condensing the information normally contained in sections D through J into a concise Section C; you streamline your contract document. By eliminating sections K, L, and M, you can issue a simplified procurement document that takes advantage of the streamlining opportunity afforded you under the JWOD Program.



The following model has been used effectively by some federal agencies to streamline their approach to JWOD contract formations.

1 Identify the Requirement

Approach JWOD first. In addition to the direct competition process available to you under the OMB Circular A-76, the JWOD Program is exempt from the Competition in Contracting Act and you can directly source your requirement to a pre-qualified service provider under JWOD.

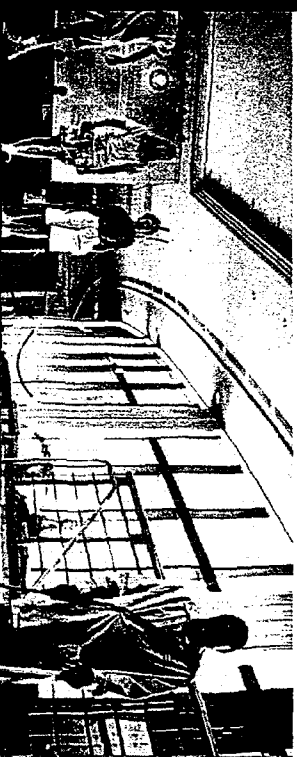
In your advance acquisition planning, communicate your service requirements to your regional NISII office. NISII is the central nonprof-

it agency (CNA) designated by the President's Committee for Purchase from People Who are Blind or Severely Disabled (Committee) to assist in administration of the JWOD Program.

NISII is not a federal contractor; therefore, you can discuss your specific requirements openly and at "other than arms length." The freedom for expressing your customer's needs, price constraints and other pertinent information is much more

open than in other procurement environments and may serve to better define your unique conditions.

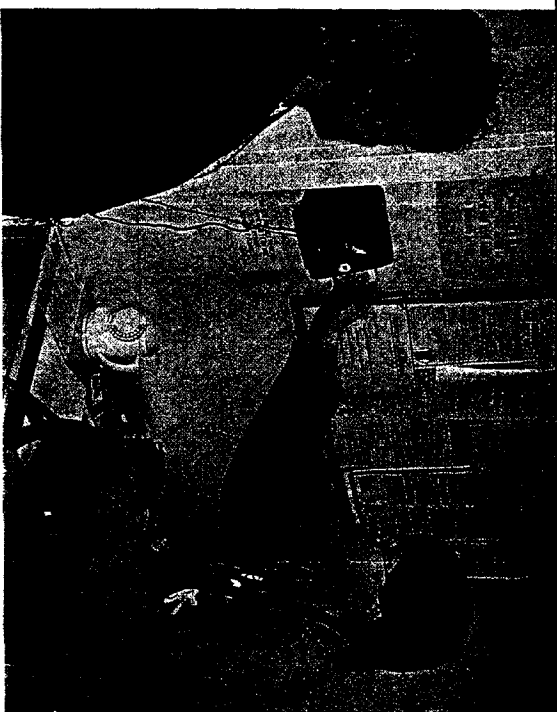
NISII will determine whether a qualified Community Rehabilitation Program (CRP) is available to meet your needs. The Committee and NISII provide you with pre-qualified CRPs that are responsible and responsive nonprofit businesses that can meet your service needs.



"As the Navy's resources continue to shrink, we will have to develop innovative approaches to providing services. Javits-Wagner, O'Day is a competitive, best value business solution to the service needs of the government."

John Reynolds,
Deputy for Small Business at
the Naval Engineering Field
Activity (EFA), Northwest.

2 Develop the Service Requirement and Contract Document



"More than 100 people with disabilities are working on JWOD projects with the Department of the Interior. We are very pleased with the quality of work they provide our employees. Outsourcing non-core service needs to the JWOD Program makes good economic sense for the government."

Paul Dennett,
Director of Administration and
the Senior Procurement
Executive at the U.S.
Department of the Interior

NISIT will match a pre-qualified CRP to meet your service requirement. In a true partnering relationship, representatives from NISIT and the CRP will work cooperatively with the government procuring agency to develop the work statement unique to your customer's needs.

Although conventional solicitations require several uniform contract format (UCF) sections, JWOD procurements eliminate this need. Take advantage of the unique, simplified procurement processes offered by

JWOD and realize the cost savings associated with the reduced administrative time.

Under JWOD there is no competition and the Committee sets the fair market price; therefore, there is no need for a solicitation document in the conventional sense. The contract document does need to include a description of the service, the contract period, payment procedures, delivery schedule, applicable wage rates and other information necessary for the parties to understand the details of the contract. You should note these

details in your work statement in addition to the inspection and acceptance criteria and quality performance benchmarks. You must also list the federal agency contract personnel responsible for contract administration, inspection and acceptance in the contract document. Attachments can be made directly to the work statement.

In your contract document, state that the contract relationship between the government customer and the CRP is subject to the provisions of the JWOD Act 41

U.S.C. 46-48c, as implemented by the provisions of 41 CFR Chapter 51 and FAR Part 8.7.

You will be contracting with a pre-qualified CRP authorized by the Committee; therefore business responsibility determinations have already been accomplished.

Prices will be evaluated in accordance with the Committee's procedures. Lengthy proposal preparation instructions, evaluation criteria and award procedures are not necessary.

3 Establish a Price and Issue the Contract

By collaboratively developing the work requirement, your federal agency independent government estimate and the CRP's "strawman" proposal were modified. JWOD contracts are subject to the Department of Labor wage determinations and the Service Contract Act, which simplifies the pricing of labor. You and the CRP negotiate a fair and reasonable price based on the partnering manner by which you developed the work statement. Utilize price analysis to the maximum extent possible. Negotiation of price is simplified

by having cooperatively worked out the technical details of performance "up front", whereby a true meeting of the minds has been achieved.

An agreement is achieved between you and the CRP and the results are provided to the Committee through NISH.

With agency concurrence and CRP agreement on the price, the Committee's process is facilitated and the requirement is added to the JWOD Procurement List.

Performance commences 30 days after agency notification from the Committee.

JWOD

it was as easy as

1

2



For continuous process improvement, NISH can provide qualified personnel experienced in partnering techniques. NISH contract administration experts are very familiar with the federal acquisition process, the guiding principles and the performance goals you must comply with. To ensure contract success, NISH team members are available to participate on your Integrated Process Teams.

Top 10 Frequently Asked Questions

and Answers about the Javits-Wagner-O'Day (JWOD) Program

1. Where does the JWOD Program fit into my outsourcing strategy?

The JWOD Program offers solutions when there is no longer an available workforce to perform required support functions. CRPs can provide the workforce to handle your requirements from basic services to complex facilities maintenance.

2. What are the advantages of contracting under the JWOD Program?

The JWOD team strives for partnering relationships that mobilize in your time of need. JWOD offers you a service provider that is:

Flexible – The JWOD team responds quickly to changing service requirements. Our focus is on helping you fulfill your mission to satisfy your customer.

Reliable – People with disabilities have a 70% unemployment rate, yet many people, when polled, say that they want to work but do not have the opportunity. JWOD employees are reliable employees, motivated by the opportunity to fulfill your service requirements and be gainfully employed. Count on them to be on the job—every day.

Responsive – We assist in developing your requirements, in providing on-site technical support and in contract administration. The

JWOD Program helps minimize your administrative operating costs.

3. Who is the JWOD team?

Community Rehabilitation Programs (CRP) and their employees with disabilities, NISII, National Industries for the Blind (NIB) and the Committee for Purchase From People who are Blind or Severely Disabled (the Committee).

CRP – local nonprofit agencies that employ people with disabilities

NISII/NIB – the central nonprofit agencies designated by the Committee to be liaisons between federal agencies and CRPs.

The Committee – the federal agency responsible for implementation of the JWOD Program. It is comprised of senior procurement officials representing federal

government agencies as well as private citizens representing people with disabilities.

4. How can NISII help me?

NISII is not a federal contractor; therefore, you can discuss your specific requirements openly and at "other than arms length."

NISII assists in matching a pre-qualified CRP to meet your service requirement. NISII determines business responsibility, performance capability/capacity and makes certain the source is in compliance with legal requirements for participation in the JWOD Program. NISII facilitates on-going



communications between you and the CRP once the contract is in place to ensure continued project success.

5. Is my relationship with JWOD permanent?

NISII has developed a Performance Quality Policy that focuses on ensuring that CRPs deliver services that will satisfy your customers in terms of cost, quality and timeliness of delivery. If the CRP fails to meet these requirements, NISII and the Committee will provide a replacement or an authorization to procure the service on the open market.

6. Under the JWOD Program, who ensures that I receive fair and reasonable prices?

Cooperatively and collaboratively in a partnering environment, all participants work toward establishing a fair and reasonable price. The Committee establishes the methods and final determinations. NISII assists you

and the CRPs in negotiating the price. We work together.

7. What about OMB Circular A-76 Performance of Commercial Activities?

According to the Revised Supplemental Handbook, federal agencies can convert directly to contract without a cost comparison when the contractor qualifies under a preferential procurement program such as JWOD. Federal agencies may, at their discretion, do a formal cost comparison in accordance with the ONM Circular.

8. How can I be assured that the JWOD provider will meet my standards of quality, delivered at the price agreed upon?

All CRPs contracting under the JWOD Program must meet the quality standards established in the statement of work or performance work statement. In addition, the JWOD Program is structured in a way that provides additional outlets for support in maintaining quality standards. Specifically, NISII staff are available to lend technical and other supports to CRPs and federal government customers to ensure a successful partnership and outcome.

9. Do I have to re-solicit bids for services rendered under JWOD?

No. The JWOD Program is a mandatory source program created under the JWOD Act and implemented through 41 CFR Chapter 51 and FAR Subpart 8.7. The JWOD Program is designed to encourage long-term

business relationships between CRPs and the federal government. Once you have contracted within the JWOD Program, you do not have to re-solicit bids.

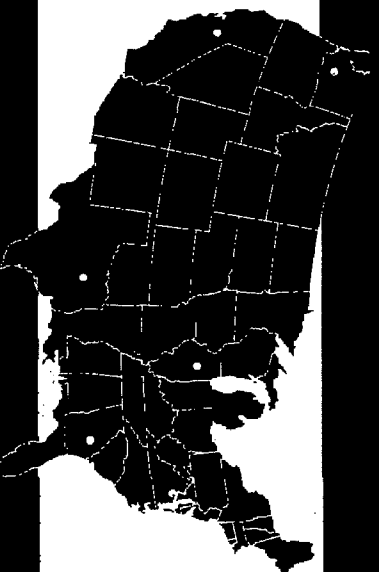
10. Who do I contact to get started with JWOD?

Contact your NISII regional office to find out how the JWOD Program can meet your specific outsourcing needs. Currently, people with disabilities are performing more than 400 different job categories across the country – JWOD can work for you.



NISH

Regional Offices:



NISH East Regional Office

P.O. Box 686
2236-C Gallows Road
Dunn Loring, VA 22027
(703) 560-6610; FAX (703) 849-8741

Serving Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, West Virginia.

NISH South Regional Office

60 Chastain Center Boulevard, Suite 66
Kennesaw, GA 30144
(770) 424-9093; FAX (770) 426-7666

Serving Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Virgin Islands.

NISH North/Central Regional Office

1400 East Touhy Avenue, Suite 140
Des Plaines, IL 60018
(847) 699-8890; FAX (847) 699-0392

Serving Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Wisconsin.

NISH South/Central Regional Office

2701 Avenue E. East, Suite 402
Arlington, TX 76011
(817) 649-5419; FAX (817) 652-1032

Serving Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, Texas.

NISH Northwest Regional Office

200 West Mercer, Suite E.103
Seattle, WA 98119
(206) 285-6160; FAX (206) 285-8558

Serving Alaska, Idaho, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, Wyoming.

NISH West Regional Office

73 Ray Street
Pleasanton, CA 94566
(925) 417-6880; FAX (925) 417-6888

Serving Arizona, California, Guam, Hawaii, Nevada, Utah, American Samoa, Trust Territories.



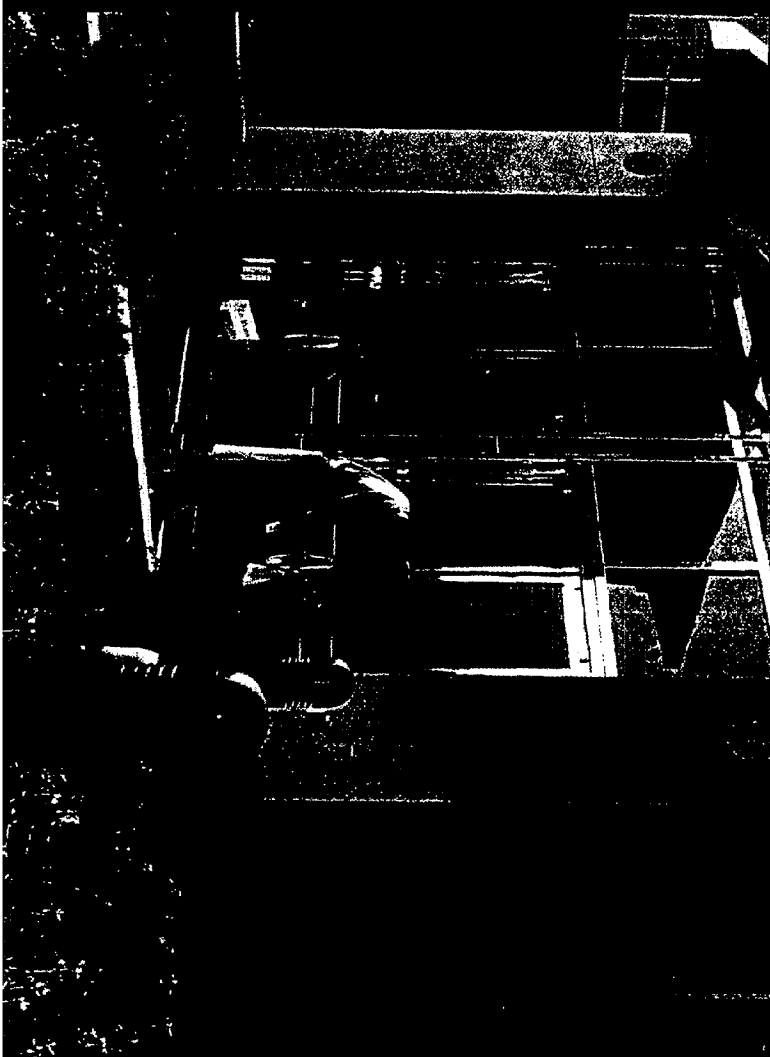
2235 Cedar Lane

Vienna, VA 22182

(703) 560-6800

Fax: (703) 560-8473

www.nish.org



Attachment A

Performance of Commercial Activities
OMB Circular No. A-76
JWOD Procedures

A commercial activity of any size that is performed by federal employees may be converted to contract performance, without cost comparison – even if it results in adverse employee actions, if the contract is awarded to a preferential procurement source at a fair market price (FMP). The Javits Wagner O'Day Program (JWOD) is a preferential procurement source.

When accomplishing a direct conversion of a commercial activity without cost comparison, the federal procurement agency (PA) and the JWOD designated community rehabilitation program (CRP) with assistance by the central nonprofit agency (CNA) will follow the pricing procedures of the JWOD program. The Committee will add the service to the Procurement List (PL) according to their procedures.

Although the Office of Management and Budget (OMB) guidance allows for a direct conversion without a cost comparison, the PA may accomplish a cost comparison at their discretion. The Committee will add the service to the PL at an estimated price to facilitate the cost comparison with JWOD and to fully authorize the actions under the JWOD program authority.

The following procedures will apply uniquely to each situation.

PROCEDURES FOR A DIRECT CONVERSION:

1. PA shall provide the necessary documents to convey the performance requirement to the CNA and the CRP participating.
2. CRP will prepare the price proposal with CNA assistance.
3. An FMP recommendation upon conclusion of fact finding, discussions, clarification and price negotiation will be prepared and forwarded for Committee review and approval.
4. The service opportunity is added to the PL upon Committee decision and performance begins according to PA requirement.

PROCEDURES FOR CONDUCTING A PRICE COMPARISON:

1. PA provides the documents necessary to convey the performance requirement to the CNA and the CRP participating.
2. CRP/CNA receives the performance work statement (PWS) and all information necessary to develop a price/technical proposal, prepares an initial estimate and submits for addition on that initial administrative estimate. (see * note below)
3. JWOD adds the project to the PL at the initial estimated administrative price.
4. PA finalizes and seals the in-house government cost estimate; JWOD price/technical proposal is finalized and submitted to PA.
5. Cost comparison of JWOD price to the in-house government cost estimate is accomplished and winning proposal is selected.
6. If JWOD CRP is successful, final FMP is provided to Committee to adjust initial administrative estimate accordingly.
7. If PA wins the competition, in-house performance accomplished for minimum 5 years or until re-evaluated for "contracting out". Service item remains on the PL.
8. PA does not have the option to go to a Full and Open Competition once committed to JWOD. Project is either performed by PA in-house personnel or is "contracted" out to JWOD producing agency (a designated CRP) based on the price comparison.
9. A federal agency may re-evaluate their original decision to keep the service in-house and may decide to seek a contracting solution to the in-house performance.
10. When a federal agency decides to contract out the in house performance, they will request a price proposal from the JWOD designated and PL listed CRP producer or an alternate as designated by the CNA and Committee. Price will be evaluated, and the Committee will finalize an updated FMP.

[* NOTE: An administrative price estimate is the initial estimate construct prior the exercise of fact finding, discussion and meeting of the minds regarding the PWS and its interpretation. An initial administrative estimate is subject to change upon conclusion of all process actions leading to a fully developed price proposal and conclusion of the comparison process. IF the CRP is successful, the original estimated PL price must be adjusted to reflect the actual award. The intent of utilizing an initial administrative price estimate is to facilitate PL addition and to "cover" the cost comparison process with JWOD authority. This allows the exemption of FAR 6 to fully be taken advantage of by PA.]

Attachment B

**Performance of Commercial Activities
OMB Circular No. A-76
JWOD Process Flowchart**

(Process flowchart follows on next page)

